

SUBJECT: Amending required county of registration and title for purchased vehicles

COMMITTEE: Transportation — favorable, without amendment

VOTE: 8 ayes — Canales, Landgraf, Bernal, Hefner, Krause, Leman, Ortega, E. Thompson

2 nays — Y. Davis, Martinez

3 absent — Goldman, Raney, Thierry

WITNESSES: For — Edward Tushar, Maund Automotive Group; Erika Blankenship, Texas Auto Center; (*Registered, but did not testify*: Deborah Polan, CarMax; Jeff Martim, Texas Independent Autodealers Association)

Against — (*Registered, but did not testify*: Jim Allison, County Judges and Commissioners Association of Texas)

On — (*Registered, but did not testify*: Jeremiah Kuntz, Texas Department of Motor Vehicles)

BACKGROUND: Transportation Code sec. 501.0234 requires a dealer who sells a motor vehicle to apply for the registration of and title for the vehicle. The dealer must apply for the registration or title in a certain county as directed by the purchaser, including the county where the purchaser lives, where the vehicle is purchased, or another county willing to accept the application.

Sec. 501.0234(e) requires the Texas Department of Motor Vehicles to develop a form or electronic process in which the vehicle purchaser must designate the chosen county.

DIGEST: HB 3059 would require a motor vehicle dealer applying for the registration of or title for a vehicle sold to a purchaser to apply in the county in which the vehicle was purchased or another county that was agreed upon by the dealer and purchaser.

The bill would repeal the required form designating the county of registration or title for a purchased vehicle under Transportation Code sec. 501.0234(e).

HB 3059 would take effect September 1, 2019, and would apply to an application for the registration of or title for a vehicle purchased on or after that date.

**SUPPORTERS
SAY:**

HB 3059 would remove unnecessary paperwork from the process of buying a motor vehicle. Current law requires dealers to present a form to every buyer on every sale regarding the county where the vehicle will be registered and titled, yet only a small percentage of buyers actually have a preference. This creates an administrative burden on dealers who are not familiar with the process of titling and registering a vehicle in every county, drawing out the closing process on the sale of a vehicle. By removing this requirement, the bill would reduce administrative burden and allow for a more efficient sales process. The bill would not remove the ability of the purchaser, upon an agreement with the dealer, to register the vehicle in the county where they reside. Further, vehicle registration renewals still would occur in the county of residence.

**OPPONENTS
SAY:**

HB 3059 would harm the transportation budgets of smaller, rural counties by allowing dealers to register vehicles in the county in which they were purchased rather than giving purchasers the choice to register the vehicle in the county where they reside. Registration fees should be paid in the county where the vehicle is actually driven. Under this bill, counties may not receive a portion of the registration fee for necessary county road maintenance projects, and urban counties would retain a disproportionately large portion of those fees, since most dealerships are located in cities. This bill is for the convenience of dealers and would negatively affect counties.